

Central Falls Detention Facility Corporation Meeting Minutes
Wednesday, December 19, 2012
Wyatt Detention Facility Training Building
935 High Street
Central Falls, RI 02863
6:00 P.M.
TDD/TTY 401-727-7450

A meeting of the Central Falls Detention Facility Corporation was held on the above date in the Training Building at 6:00p.m.

1) Call to order / Roll Call – 6:10 p.m.

All Members present: Chairman Hartford, Director Tillinghast, Director Cabral, Director Figueroa, and Director Rios

2) Public Comment

Former Board Member Al Romanowicz commented that he understood that Ng case was settled and that he hoped that the Board would take the opportunity to try to reengage ICE. He added that ICE was part of the original design team for the facility.

Former Mayor Tom Lazieh said that he'd like to get some of his questions answered. He questioned the status of the Fink property tax payments to the City. He requested a status on the Almonte audit. He said that if there are any public documents that are related to the budget and/or the monthly cash report, he'd like to receive a copy of them. He asked about the status of payments to the City of Central Falls and when and how it will be provided again. He asked about the ADP and the break-even point. He asked, since the Ng settlement, what are the possibilities to bring ICE back.

Chairman Hartford said that although he was not inclined to respond to this inquires at the meeting, he would be happy to respond to Mayor Lazieh directly on any of his questions. He did say that it was his understanding that the City was going to file a declaratory judgment, basically to put the issues before the court to determine who is responsible for the taxes. He expects that Mr. Almonte may be ready to present some type of report regarding the audit at the next meeting, but that no information is available tonight. In regards to the impact fees, he acknowledged that this is an on-going issue since the Corporation has no legal obligation to pay them and the Bondholders are not yet inclined to authorize the payment.

Former Board Member Phil St. Pierre said that now was an opportunity to reengage Ice and to approach the Bondholders to build a relationship and to show them how ICE revenues would help to replenish the reserves.

3) Approval of minutes, 11/20/12

Motion made by Director Cabral to approve the minutes from 11/20/12, seconded by Mr. Figueroa. All were in favor. Motion passed.

4) New Business –

A) Report of Finance Committee

Robert Teasdale, Interim Controller said that his intent was to review the finances on a month-to month basis. At Chairman Hartford's direction, copies of the financial reports were made available to members of the public at that time.

Mr. Teasdale said that revenues for November were \$1.9M, a decrease of \$200K from the month of October. This is a result of a decrease in the ADP to 598, compared to 615 for October. Operating expenses were \$1.5M, an increase of \$70K from October. \$51K of this was related to factors within salaries and fringe benefits and the way they were accruing in the past. There was also an adjustment in worker's compensation premiums based on the audit that was conducted. Other direct and administrative fees increased due to trustee fees and other default related administrative fees. The trustee has gotten more involved in the administration because they are now reviewing all of the payables. Inmate care expenses were down slightly. Because of the sliding scale on food costs, with the decreased population, the meal cost goes up a few cents. Building and utility expenses were down. Overall, operating income was about \$434K compared to \$673K for October. Director Tillinghast asked, if he normalized this, what would the figure be? Mr. Teasdale said that he hadn't yet looked at this. He reported that there were no significant changes related to interest income and expense.

B) Current cash report and overview of accounts

Mr. Teasdale reported that the debt service was at \$2.9M, \$730K short of where it should be because the December monies hadn't been taken yet. When we do not make these monthly payments timely, we incur a fee. We were charged about \$2K for the late payment in November. The debt service reserve is back up to the \$6.6M because we replenished the monies that we borrowed from there due to late revenue payments.

Director Tillinghast commented that receiving the report early so that he could review before the meeting, as Mr. Teasdale had done, was beneficial, as it allowed analysis beforehand and makes this time more valuable for everybody.

Motion to approve the report of the finance committee and the current cash report was made by Director Tillinghast, seconded by Director Cabral. All were in favor. Motion passed.

C) CEO contract/ Reorganization proposal

Chairman Hartford said that he'd spoken at length with Michael Fair about the potential for a contract extension and the potential for reorganization opportunities. There are some items that will need to be discussed further with the Board in order to resolve those issues. Because of the nature of the issues, they would have to be discussed in Executive Session, but if these issues were resolved and an agreement was reached, he would come out of Executive Session and announce that.

D) Authorization of miscellaneous payments and purchases No discussion.

E) Vending Service RFP Award

Mr. Fair deferred to Lea Ann Maupin to provide the details. She said that there were three vendors that requested packages, but we only received one bid. The vendor, Kelly Refreshments, is the same one that we have now. She is currently working with the vendor to firm up a contract. We are not ready for an approval at this time.

5) Old Business

A) Almonte Report.

Deferred until next meeting

6) Reports of the CEO and/or Legal Counsel (as necessary); ADP update; and other matters.

Michael Fair, CEO, informed the Board November and December to-date had been busy.. Bishop Tobin came in for a visit on November 28th, Kevin Neal, Deputy US Marshal, came in on November 29th, the Guatemalan Consulate visited on December 6th, and the Canadian Consulate came in on December 7th.

We had an OFDT audit out of Washington. That went very well. They were very complimentary of our staff and out facility.

Class 33 is scheduled to graduate on Friday, January 4th. The Class's Family Night will be held the night before. Seventeen recruits are scheduled to graduate.

7) Next meeting:

Wednesday, January 16, 2013 @ 6:00pm @ Wyatt Training Building

Motion to go into Executive Session was made by Director Tillinghast @ 7:10pm, seconded by Director Cabral. All were in favor. Motion passed.

8) Executive Session pursuant to R.I. General Laws § 42-46-5 for the following purposes:

- A. RIGL § 42-46-5(a)(2) and RIGL § 42-46-5(a)(4) for the purpose of reviewing issues regarding FOP representation of supervisory staff and litigation concerning the Wayne Salisbury matter; Ng; Cornell; Avcorr; Property tax bill; Forensic Audit.
- B. RIGL § 42-46-5(a)(3) for the purpose of receiving an operational report from the CEO.
- C. RIGL § 42-46-5(a)(1) Personnel

Board Members returned to open session at 8:20pm. Chairman Hartford stated that, for the record, there is a term sheet drafted with Brian Murphy. Everything is acceptable. The only sticking point is with respect to counsel. As part of the duties of the CEO, he will have the authority to hire or terminate lawyers for the corporation. Those decisions will be reviewed by the Board. Based on that, we will build a Contract based on this term sheet. Michael Fair proposed that the Corporation restructure. Based on the work that has been done under his leadership, he does not feel that we need to have a separate CEO and a Warden. He feels that Mr. Murphy has been groomed effectively so that he can serve as both Warden and CEO. He will operate in this capacity effective December 29th, Mr. Fair's last day. He will operate within the terms of this agreement that has not yet been penned to paper.

Mr. Fair said that Brian Murphy is eminently qualified. The staff at the facility think highly of him.. He has been working for the last six months to turn certain things over to the Warden and know that he is capable of doing it. He added that he hoped that the Board would work out an agreement with Mr. Teasdale for the CFO's position. He is truly a financial professional and would be a real asset to the facility. He added that the Legal Counsel, Peg, Terry, and Vin Ragosta have proved to be indispensable.

Chairman Hartford thanked Mr. Fair for his hard work and his patience in educating with the Board.

Motion made by Director Rios to approve the appointment of Mr. Murphy as the new Warden/CEO effective December 29th subject to the terms of the term sheet and subject to the finalization of a contract that will ultimately be reviewed and approved by the Board, seconded by Director Tillinghast. All were in favor. Motion passed.

9) Adjournment

Motion to adjourn was made by Director Cabral @ 8:30pm, seconded by Director Tillinghast. All were in favor. Motion passed.